

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2344

ANSWERED ON:23.07.2004

PROMOTION OF SELF HELP GROUP IN ORISSA

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Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of lukewarm attention of the nationalised banks working in the KBK districts in Orissa towards promoting the Self Help group (SHG);

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the guidelines issued to these banks to promote SHG in those districts in Orissa?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a), (b) & (c): National Bank for Agriculture and Rural Development (NABARD) has reported that under its micro-finance initiative, the Kalahandi-Bolangir-Koraput (KBK) region in Orissa has been receiving priority for the promotion of Self-Help Group (SHG) - Bank Linkage Programme. During the year 2003-04, 12,046 SHGs were credit linked with banks as against 9,065 SHGs during the previous year 2002-03. Cumulatively, 30,980 SHGs are now credit linked as on 31st March, 2004. The District-wise cumulative details of the SHGs credit linked and bank loan disbursed as on 31st March, 2004 in the KBK region in Orissa are given below:

S.No.	Name of District	Cumulative No. of SHGs provided with bank loan	Cumulative bank loan disbursed (Rs. in crores)
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1.	Bolangir	4,589	7.33
2.	Kalahandi	7,157	9.76
3.	Koraput	4,912	9.29
4.	Malkangiri	2,125	2.81
5.	Nabarangpur	3,222	4.75
6.	Nuapada	3,486	4.68
7.	Rayagada	4,959	7.32
8.	Sonepur	550	0.87

Total	30,980	47.81
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NABARD has also issued guidelines to commercial banks, Regional Rural Banks (RRBs) and cooperative banks in the country including the KBK districts in Orissa for mainstreaming this activity. These guidelines cover areas like internalizing the programme as a mainstream business activity, norms concerning financing of groups taking cognizance of savings and internal resources generated by SHGs, rating and appraisal tools used by bankers while financing SHGs, suggestions regarding documentation norms to be followed, requirement for monitoring of the programme, conduct of regular capacity building programmes for different stakeholders of the programme, enlist the bank's support to function as Self-Help promoting institution in the backward regions where the intensity of NGOs and social intermediaries are low.